GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:109
ANSWERED ON:25.04.2016
Black Marketing of Kerosene Oil
Agrawal Shri Rajendra;Rajput Shri Mukesh;Tanwar Shri Kanwar Singh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the instances of Oil Marketing Companies (OMCs) not following/complying with 'in house marker system' regarding doping of kerosene oil distributed under Public Distribution System (PDS) have been reported/noticed by the Government during each of the last three years, State/OMC/UT-wise;
(b) if so, the details thereof and the action taken by the Government thereon, State/UT-wise and OMC-wise;
(c) whether the Government proposes to reduce the subsidy on kerosene in the backdrop of black marketing of kerosene and if so, the details thereof along with quantum of subsidy given by the Government during the said period, State/OMC/UT-wise;
(d) the details of guidelines issued/laid down for allotment of PDS Kerosene Oil dealership by the OMCs;
(e) whether any complaints of alleged irregularities against PDS SKO dealers have been received by the Government and if so, the details thereof and action taken in this regard during the said period along with the monitoring mechanism put in place to monitor PDS SKO dealers in the country, State/OMC/UT-wise; and
(f) whether the Government has noted any reduction of kerosene consumption due to use of clean/renewable energy during the said period and if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
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(a)& (b) : At present, there is no such scheme in vogue for doping of in house marker in kerosene oil distributed under Public Distribution System (PDS) by Public Sector Oil Marketing Companies (OMCs). (c) : With a view to reach the PDS kerosene to the targeted beneficiaries, the Government has announced implementation of Direct Benefit Transfer in Kerosene (DBTK) during financial year 2016-17 in 33 districts identified by 9 State Governments namely, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Gujarat.
Under the scheme for direct transfer of subsidy, the consumer will pay the non-subsidized price of kerosene at the time of purchase. Subsequently, the amount of subsidy will be directly transferred to the bank account of the beneficiary. To avoid any inconvenience to the beneficiary during the initial purchase through payment of non-subsidized price, an initial amount of subsidy shall be credited to all eligible beneficiaries. As a part of this scheme, implementing States will be given fiscal incentives equivalent to 75 % of subsidy saved in the first two years, 50 % of subsidy saved in third year and 25 % of subsidy saved in 4th year. OMC-wise details of subsidy/under recovery on PDS Kerosene is given below :
Rs. in Crores OMC Name 2012-13 2013-14 2014-15 9 Months, 2015-16
Indian Oil Corporation Ltd. (IOCL)
20,007
20,903
16,635
6,727
Hindustan Petroleum Corporation Ltd. (HPCL)
5,360
5,440
4,293
1,703
Bharat Petroleum Corporation Ltd. (BPCL)
4,788
4,912
3,876
1,562
Total Subsidy /under recovery on PDS Kerosene
30,156
31,255
24,804
9,993
(d) : Details of guidelines for allotment of PDS Kerosene wholesaler is given at Annexure-I.
(e) : In order to check the pilferage of PDS kerosene, the Central Government have made provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955, as per which dealers have to sell PDS Kerosene at a price fixed by the Government or OMCs and have to prominently display stock-cum-price board at the place of business including the place of store at a
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conspicuous place. Further, PDS kerosene released is dyed with blue dye to facilitate detection of PDS kerosene in non-PDS uses. Under this Control Order, State Governments are also empowered to take action against those indulging in black-marketing and other irregularities.

Field Officers of OMCs inspect the Kerosene Dealerships and check for irregularities like non-observance of Government/OMCs regulations, over charging, unauthorized purchase and stock variation. In case of any irregularities, action is taken as per the Marketing Discipline Guidelines (MDG).

OMCs have hosted a web portal which enables public access to the movement of PDS Kerosene tank trucks. It provides details of the tank truck movement carrying PDS Kerosene from their Dispatch Units/Depots/ Installations to the various dealers along with their names, invoice number, quantity of product, time of dispatch, tank truck number, etc. on the websites on real time basis. The State--wise details of irregularities detected and action taken thereon for last three year and current year (April-June, 2015) is at Annexure-II.

(f) : With the expansion of LPG /PNG coverage in the country, the use of kerosene for cooking purpose reduces. Quota of PDS kerosene in respect of States/UTs is rationalized based on various factors like increase in Domestic LPG/PNG connections, non-lifting of PDS kerosene quota by the concerned States/UTs, cap on the per capita PDS kerosene allocation for non-LPG and non-PNG population. Allocation of PDS Kerosene made to the States during the last three years is as under:

Year	Allocation in KL
2013-14	9086858
2014-15	8975538
2015-16	8685384

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